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Message Text

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TAGS: OEXC, AG, ECON, ENRG
SUBJ: ALGERIAN TRAINING PROGRAMS- REQUEST FOR U.S.
MANAGEMENT ASSISTANCE

SUMMARY: FOLLOWING UP PARKER/ABDESSELAM CONVERSATION, MINISTRY OF INDUSTRY AND ENERGY CALLED EMBASSY IN TO DISCUSS TRAINING PROGRAMS IN GAS, PLASTICS AND ELECTRONICS. ALGERIANS HAVE NEGOTIATED THREE CONTRACTS TO SET UP TECHNICAL INSTITUTES IN THESE FIELDS. GOA IS PLEASED WITH COURSE MATERIAL, BUT IS CONCERNED THAT THERE IS NO LARGE, EXPERIENCED ORGANIZATION BEHIND THE MANAGEMENT AND IMPLEMENTATION OF THE PLASTICS AND ELECTRONICS INSTITUTES. GOA IS SEEKING SUGGESTIONS FROM US ON THIS ASPECT. END SUMMARY.

1. FARES, MINISTRY OF INDUSTRY AND ENERGY DIRECTOR FOR TRAINING CALLED IN EMBASSY OFFICERS TO EXPLAIN ALGERIAN TECHNICAL TRAINING PROGRAMS AND TO SEEK OUR ASSISTANCE. FARES WAS FLANKED BY MR. KESRI, DEPUTY DIRECTOR; MR. BAGHLI, DIRECTOR GENERAL, INSTITUT ALGERIENE DE PETROL, MR. LARBI, INSTITUT NATIONAL DE'ELECTRICITE ET DE L'ELECTRONIQUE.

2. FARES BEGAN BY RETRACING PAST DISCUSSIONS ON TRAINING HELD IN 1971 BEWTEEN AF DEPUTY ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS, ROBERT S. SMITH, AND MINISTER ABDESSELAM. HE THEN OUTLINED STEPS SINCE TAKEN BY ALGERIANS, BEGINNING WITH THEIR CONTRACT WITH THE
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INSTITUTE OF GAS TECHNOLOGY OF CHICAGO, (IGT). IGT

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PREPARED COURSES FOR ENGINEERS AND TECHNICIANS TO
WORK IN FIELD OF LIQUIFIED NATURAL GAS AND LOCAL GAS
DISTRIBUTION. IGT HAS ALSO ASSISTED ALGERIANS IN ORDERING
NECESSARY EQUIPMENT FOR GAS INSTITUTES IN ORAN AND
BOUMERDES (FINANCED IN PART BY EXIM). FINALLY, IGT
HAS 12 AMERICAN PROFESSORS NOW TEACHING IN ALGERIA.
FARES SAID THIS CONTRACT WITH IGT HAS WORKED WELL,
BUT IT IS HELPED BY THE EXISTANCE OF ONE STRONG U.S.
INSTITUTION, IGT. WHEN OPERATING FULLY THE GAS
INSTITUTES WILL HAVE ABOUT 700 STUDENTS, A CAPITAL INVESTMENT
OF ABOUT FIVE MILLION DOLLARS AND AN ANNUAL BUDGET OF
ABOUT THREE MILLION DOLLARS.

3. SECOND CONTRACT IS FOR A PLASTICS INSTITUTE WHICH
HAS BEEN NEGOTIATED WITH A CONSORTIUM OF TOP U.S.
UNIVERSITIES. AGAIN A GOOD COURSE STRUCTURE HAS
BEEN PREPARED UNDER A CONTRACT THIS TIME WITH THE
EDUCATION DEVELOPMENT CENTER OF NEWTON, MASSACHUSETTS (EDC).
HOWEVER, DESPITE ALL THE GOOD WILL, EDC IS SHOWING
ITSELF WEAK IN THE IMPLEMENTATION AND MANAGEMENT
OF THE PLASTICS INSTITUTES IN ALGERIA. FARES
EXPLAINED THE ADMINISTRATOR OF THESE PROJECTS
NEEDED SUBSTANTIAL CAPITAL AND A STRONG MANAGERIAL
HAND, DUE TO PAYMENT DELAYS AND OTHER PROBLEMS OF
DOING BUSINESS ABROAD. THE PLASTICS INSTITUTE IS LOCATED
AT BOUMERDES AND ALSO HAS 12 PROFESSORS NOW WORKING IN
ALGERIA. IT WILL ALSO PREPARE TECHNICIANS AND
ENGINEERS - ABOUT 1,000 WHEN FULLY OPERATIONAL WITH A
STAFF OF 90, INCLUDING 50 FOREIGN PROFESSORS, 30 OF WHOM
WOULD COME FROM THE UNITED STATES. FARES DOES NOT WISH
TO CHANGE THIS PROJECT, BUT HE DOES SEEK A STRONGER
ADMINISTRATOR WITH EXPERIENCE IN MANAGING EDUCATION
PROGRAMS ABROAD THAN IS PRESENTLY BEING SUPPLIED BY EDC.

4. FINALLY, FARES DESCRIBED THE INSTITUTE OF ELECTRICITY
AND ELECTRONICS IN TLEMCEN.THE INSTITUTE WILL
EVENTUALLY HAVE ABOUT 3,000 STUDENTS AND 200 PROFESSORS
IN A TO-BE-BUILT AMERICAN STYLE CAMPUS. THE CAPITAL
COSTS INCLUDING CONSTRUCTION ARE ESTIMATED AT 40 MILLION
DOLLARS WITH A THREE MILLION DOLLAR ANNUAL BUDGET.
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THE SAME TOP GRADE U.S. UNIVERSITIES PLUS A FEW OTHERS
HAVE AGREED TO PREPARE COURSE MATERIAL. AGAIN, EDC
IS THE COORDINATOR, BUT A STRONG MANAGING ENTITY IS NECESSARY.

5. FARES EXPLAINED THESE PROJECTS WOULD PROCEED
AHEAD IN ANY CASE AND THAT THERE WAS NOT PROBLEM OF
FINANCING THE PROJECTS. TO FACILITATE THE PLASTICS
AND ELECTRONICS PROJECTS, HE NEEDED A RESPONSIBLE

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U.S. BODY THAT COULD IMPLEMENT AND COORDINATE ONGOING
OPERATIONS OF THIS MAGNITUDE. SUCH AN ENTITY WOULD NEED
CAPITAL RESOURCES AND MUST BE ABLE TO WORK WITH EDC AND
PARTICIPATING U.S. UNIVERSITIES.

6. FARES EMPHASIZED THESE PROJECTS WERE IN THE MOST
TECHNICALLY DEMANDING AREAS. THEY ALREADY HAVE
SIMILAR TRAINING INSTITUTES BEING RUN BY THE FRENCH
IN MECHANICAL AND OIL ENGINEERING, BY THE GERMANS
IN CHEMISTRY AND MINING, BY THE RUSSIANS IN STEEL AND
HYDROCARBONS AND BY THE CANADIANS IN MANAGMENT. HOWEVER,
ALL OF THESE PROJECTS WERE GOVENMENT TO GOVERNMENT. THE
PROBLEM WITH THE U.S. PROJECTS IS HOW TO ARRANGE FOR
BETTER SUPPORT FROM AN ADMINISTRATIVE AND MANAGEMENT
POINT OF VIEW.

8. COMMENT: EMBASSY OFFICERS PROMISED TO PASS ON
MR. FARES COMMENTS AND REQUEST FOR HELP. FROM EMBASSY
TALKS WITH IGT AND EDC, THEY ARE BOTH HAVING A REAL
PROBLEM FINDING QUALIFIED PEOPLE TO WORK UNDER THE
LESS THAN IDEAL CONDITIONS IN ALGERIA. FURTHER, THE
PROMISES MADE BY THE ALGERIANS HAVE NOT ALL BEEN MET ---
CLASSES ARE NOT READY, STUDENTS ARE NOT SATISFACTORILY
PREPARED AND CANNOT UNDERSTAND ENGLISH, THE LANGUAGE
OF INSTRUCTION FOR MANY CLASSES IN THE TECHNICAL
SCHOOLS. THE ALGERIANS ARE TRYING TO HOLD UP THEIR
SIDE EVEN IF DELAYED. ANOTHER BIG PROBLEM FOR THE U.S.
ORGANIZERS IS THAT THE ALGERIANS CANNOT MEET ON
TIME THE FOREIGN EXCHANGE DEMANDS OF THESE CONTRACTS.
THEY HAVE THE MONEY, FREQUENTLY IN THE U.S., BUT
CANNOT TAKE CARE OF THE PAPER WORK TO EFFECT A
TRANSFER. SOME PAYMENTS ARE AS MUCH AS NINE MONTHS DELAYED.
ON PROJECTS LIKE THE ELECTRONICS INSTITUTE, A SMALL SCHOLARLY
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OUTFIT LIKE EDC CANNOT AFFORD TO TIE UP THESE AMOUNTS ON
ALGERIAN PROJECTS. PAYMENT HAS ALWAYS COME IN DUE TIME,
AS FARES SAID, SO FINANCIAL AID IS NOT THE PROBLEM.

9. EMBASSY SUGGESTED TYING ELECTRONICS PROJECT, FOR
EXAMPLE, TO GTE ELECTRONICS PLANT OR THE GH TURBINE
CONTRACT, BUT FARES DID NOT SEEM RECEPTIVE. WE
ALSO SUGGESTED TYING THE ELECTRONICS TRAINING PROGRAM
TO THE YET UNNAMED ARCHITECT OR BUILDER OF THE INSTITUTE.
THESE SUGGESTIONS WERE MADE TO TRY TO LINK EDUCATION
PROJECTS TO A LARGE ORGANIZATION WITH A RELATED
PROFIT INCENTIVE IN ALGERIA.

10. ANOTHER POSSIBILITY, NOT MENTIONED TO FARES,
WOULD BE FOR OUR REIMBURSABLE TECHNICAL ASSISTANCE

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PROGRAM TO TAKE OVER THESE PROJECTS. THIS WOULD
SUPPLY MANAGEMENT EXPERTISE IN DOING BUSINESS
ABROAD WHICH IS JUST WHAT IS MISSING. BUT CAN
OUR REIMBURSABLE TECHNICAL ASSISTANCE PROGRAM
FIT RIGHT OVER AN EXISTING PRIVATE UNIVERSITY
PROGRAM? WE UNDERSTAND ALGERIANS HAVE ALSO APPROACHED
FORD FOUNDATION BUT WERE TURNED DOWN.

11. IN THE EMBASSY'S OPINION THE TRAINING OF
ALGERIANS BY AMERICANS IN ENGLISH WITH U.S. TECHNIQUES
IS ESSENTIAL FOR THE U.S. COMMERCIAL EFFORT IN THIS
COUNTRY. WE ARE STILL OPENING ALGERIA UP FROM ITS
DEPENDANCE ON FRANCE AND FRENCH THINKING. FURTHER,
AS A SEPARATE MESSAGE INDICATES, THE GREATEST
THREAT TO ALGERIAN ECONOMIC DEVELOPMENT AND THE
SUBSTANTIAL U.S. INVESTMENT IN ALGERIA IS THE LACK
OF TRAINED TECHNICIANS AND MANAGERS. THEREFORE,
IT IS VERY MUCH IN OUR INTEREST TO ASSIST MR. FARES
IN MAKING THESE TRAINING CONTRACTS WORK.BARR

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